10/14/64

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TO

Director, FBI

Attention: ASST. DIR. C. D. DeLOACH

FROM:

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C. SUMNER STONE

Former Managing Editor and Columnist

"Chicago Daily Defender"

Reference is made to attached article concerning C. SUMNER STONE being fired by publisher JOHN SENGSTACKE.

On 10/13/64, Federal Judge JAMES B. PARSONS advised me that STONE and SENGSTACKE had been having differences of opinion during the past several months. Basically, these differences revolved around STONE's method of handling the reporting of civil rights demonstrations and related matters. STONE had become extremely closely allied with various protest groups in Chicago and his articles were felt by SENGSTACKE to be on many occasions inflamatory. SENGSTACKE first eliminated STONE's personal articles which he had in the paper, but then, according to Judge PARSONS, STONE started slanting news reports to put across his point of view. According to Judge PARSONS, SENGSTACKE wanted to play down all civil rights protests in order to prevent the "white backlash" vote for GOLDWATER in the coming election.

Judge PARSONS stated STONE's first reaction to being fired was STONE reportedly stated he would have protest groups picket the "Chicago Daily Defender". This did not materialize. It is not known what STONE plans to do at this time.

Bureau will be kept advised.

3 - Bureau (Enc.1)

Chicago

MWJ/fcd (4) ×,

Memorandum

TO : SAC, CHICAGO (80-686)

DATE: 1/5/65

FROM : SA JOHN M. CARY

SUBJECT: "CHICAGO DAILY DEFENDER"

NEWSPAPER

INFORMATION CONCERNING

,voluntarily related as follows concerning the "Chicago Daily Defender" newspaper and its publisher JOHN H. SENGSTACKE, on 12/28/65:

Following a recent conversation with Mr. SENGSTACKE his suspicions were confirmed that SENGSTACKE is currently in serious financial trouble with the newspaper. the "Defender" has suffered an approximate \$100,000 loss for the year 1965. Sub-standard and lax Circulation Department bookkeeping methods, dishonest techniques used by solicitors and branches, were two contributing factors. Solicitors and distribution branch personnel reputedly collaborated to For clarity, increase their salaries. explained solicitors would submit new subscribers names to the main office for which the particular solicator would receive a \$1.25 commission per customer. Approximately three weeks later a "kill" would be forwarded to the "Defender" front office to effect a discontinuance of that customer. However, the particular customer would continue to be serviced by the paper's territorial branch, who retained the customer's payments. About two or three weeks later, the branch would re-submit the same name and address, in effect stating the particular customer had been recontacted and persuaded to reinstate their subscription. Consequently the particular territorial branch would receive or be credited with another \$1.25 commission.

2 - Chicago

JMC:dlk

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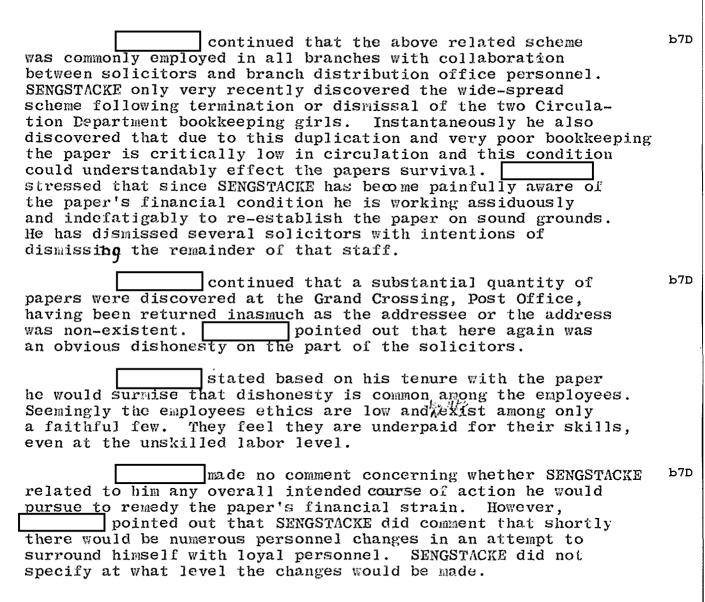
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